

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 0 — 0 0 4

2. STATE:

California

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

March 1, 2000

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 USC 1396u-1

7. FEDERAL BUDGET IMPACT:

a. FFY 2000 \$ 71,702,000 PSD
b. FFY 2001 \$ 122,917,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement 12 to Attachment 2.6-A, 2 pages
Appendix A to Supplement 12, 2 pages Pages 1+2
Appendix B to Supplement 12, 1 page9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):Supplement 12 to Attachment 2.6A,
pages 1, 2 and 3 LTN 48-005A)

10. SUBJECT OF AMENDMENT:

Adjustments to Determinations of Countable Income and Countable Property, and to
the Income Standards, for California's Section 1931 Program.

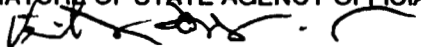
Revisions (additions) to "More Liberal" Income Disregards for the Section 1931 Program

11. GOVERNOR'S REVIEW (Check One):

- ☐
- GOVERNOR'S OFFICE REPORTED NO COMMENT
-
- ☐
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
-
- ☐
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:



16. RETURN TO:

13. TYPED NAME:

Stan Rosenstein

14. TITLE:

Acting Deputy Director, Medical Care Services

15. DATE SUBMITTED:

17. DATE RECEIVED:

March 30, 2000

18. DATE APPROVED:

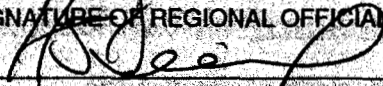
8/27/01

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

March 1, 2000

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:

Linda Minamoto

22. TITLE:

Associate Regional Administrator
Division of Medicaid

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: California

ELIGIBILITY UNDER SECTION 1931 OF THE ACT

METHODOLOGIES FOR TREATMENT OF INCOME THAT DIFFER FROM THOSE OF
THE AFDC PROGRAM AS IT EXISTED ON JULY 16, 1996
(More Liberal Than AFDC)

Effective January 1, 1998, in determining eligibility for Medicaid under Section 1931, Title XIX of the Social Security Act, the agency uses the AFDC income methodologies in effect as of July 16, 1996, except where the agency has adopted more liberal income methodologies. These more liberal methodologies are listed below (none of the methodologies listed below will result in an Section 1931 income exclusion which is more restrictive than its AFDC counterpart):

- and Recipients: PSD*
1. Applicants All income in excess of the AFDC 185% gross income test is disregarded for purposes of that test.*
 2. Applicants and Recipients: An income disregard for families containing one or more members who receive cash assistance from the TANF or SSI/SSP which is equal to the amount of the difference between the cash assistance payment the family member(s) would have received if she/he were the only person in the family with income, and the cash assistance payment she/he receives.*
 3. Applicants and Recipients: For purposes of determining net self-employment income, the individual gets a either a 40 percent deduction from their business revenue or the AFDC self-employment deductions, whichever is to their advantage.
 4. Applicants and recipients: An exemption for the following payments made by California's TANF Program (CalWORKS): cash assistance payments, "diversion" payments, and payments for the "Special Needs" of the family.*
 - Applicants and PSD*
 5. ~~*Recipients only~~ A disregard equal to the amount that California's TANF program's (CalWORKS) highest Minimum Basic Standard of Adequate Care (MBSAC) levels appropriate for the size of the family exceeds the July 16, 1996 AFDC Maximum Aid Payment (MAP) appropriate for the size of the family. Effective 8/99, until the current highest CalWORKS MAP is higher than the 7/99 highest CalWORKS MBSAC, the 7/99 highest CalWORKS MBSAC will be used in place of the current highest CalWORKS MBSAC in the preceding sentence. After that point, a disregard equal to the amount that highest CalWORKS MAP levels appropriate for the size of the family exceeds the July 16, 1996 MAP appropriate for the size of the family.**

TN No. 00-004Approval Date: AUG 27 2001Effective Date: March 1, 2000

Supersedes

TN No. Page 1 of Supplement 12a in 98-005b

6. Applicant and Recipients: a disregard of \$240 against the disability-based unearned income of the Medi-Cal Family Budget Unit (MFBU).
7. Recipients: One of the following disregards, whichever is more advantageous.
- a. A disregard of any unused part of the \$240 from paragraph #6 against the combined earnings of the two highest earners in the family; an additional \$120 is disregarded from the earnings of each additional member of the family; then a disregard of 50% is deducted from each individual's remaining earnings. This disregard replaces the AFDC \$30 and 1/3 deduction and the AFDC \$90 deduction for recipients.

Or

- b. In lieu of the income disregard in paragraph #5 and #7a, a disregard equal to the amount by which the federal poverty level (FPL) appropriate for the size of the family exceeds the July 16, 1996 MAP appropriate for the size of the family. (This disregard is added to the July 16, 1996 AFDC MAP to create an "effective" income limit equal to the Federal Poverty Level.)¹ ~~Recipients using this disregard also get the \$90 AFDC earned income disregard.~~⁺ *PSD*
- PSD If more advantageous than the disregard in #5, a*
8. Applicants: ~~A~~ disregard equal to the amount by which the federal poverty level (FPL) appropriate for the size of the family exceeds the July 16, 1996 MAP appropriate for the size of the family. (This disregard is added to the July 16, 1996 AFDC MAP to create an "effective" income limit equal to the Federal Poverty Level.)
9. Applicants and Recipients: Effective January 1, 2001, an income disregard for the months of January, February, and March, equal to the COLA increase in the Social Security RSDI payment to the individual. *

* Note: These income exclusions do not replace any AFDC income exclusions.

**This income deduction, when added to the July 16, 1996 AFDC income standard will produce an effective Section 1931 income limit, called the CalWORKs MBSAC-based income limit, equal to the highest CalWORKs MBSAC. After July 1999, the Section 1931 (CalWORKs MBSAC-based) income limit utilizing this disregard is "frozen". The Section 1931 CalWORKs MBSAC-based income limit will remain frozen until the CalWORKs MAP-based income limit is higher. Then the Section 1931 CalWORKs -based income limit will be based on the CalWORKs MAP. Prior to March 1, 2000, this disregard was also available to applicants.

¹ Effective March 1, 2000, recipients are income eligible for the Section 1931 program if they can pass either of two income tests. Under one test, a recipient is income eligible if his/her countable income, from which the \$240 and 1/2 deduction (described in paragraph 7) has been subtracted, is less than the CalWORKs-based income limit. Under the other test, a recipient is income eligible if his/her countable income, from which the AFDC \$90 earned income deduction (in lieu of the \$240 and 1/2 deduction) has been subtracted, is less than the FPL income limit.